Finance and Admin Forum
Spring Update and Discussion

May 16, 2024
Discussion Summary

- Welcome & Meeting Goals
- FY 2023-24 Budget Forecast
- FY 2024-25 Budget
  - Planning Overview
  - Budget Planning and Development
- FY 2025-26 Budget Development
- Compensation Study Update
- Comprehensive Campus Plan and R&R Update
- On-line Bookstore and Spirit Store Update
- Q & A
Update on FY 2023-24 Budget
FY 2023-24 Budget Forecast

Projected Positive Variance of 1-2%

- Salary Savings - vacant positions
- Investment Income
- Contingency Savings
FY 2024-25 Budget
Budget Planning Overview

 Roles / Responsibilities

- President
- VPFA
- Senior Staff
  - Department Leadership
  - Cost Center Managers
  - Budget Managers
- AAC
- BOM
Budget Planning & Development

- **Budget Methodology**
  - Strategic Planning → Operational Details
  - Incremental Budgeting
  - Annual Budget in Context of 10-year Model

- **Operating Budget**
  - Considerations and Challenges
  - Key Levers/Assumptions
  - Aligned with Strategic Plan

- **Capital Budget**
  - Renewals & Replacements (R&R)
  - Equipment (Academic, IT, and Library)
Considerations and Challenges

- Enrollment
- Stock market is unpredictable
- Planning for the large class graduating in FY2025
- Balancing Haverford’s TFRB rate vs peers/competition
- Need to realign compensation to benchmarks
## Key Assumptions

<table>
<thead>
<tr>
<th>Component</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Enrollment</strong></td>
<td>• Incoming class of 370&lt;br&gt;• Total 1,421 on-campus, 62 off-campus</td>
</tr>
<tr>
<td><strong>Tuition, Fees, Room and Board (TFR&amp;B)</strong></td>
<td>• 3.5% increase&lt;br&gt;• Total TFR&amp;B = $89,569</td>
</tr>
<tr>
<td><strong>Financial Aid</strong></td>
<td>• 41.0% discount rate all classes</td>
</tr>
<tr>
<td><strong>Endowment Draw</strong></td>
<td>• HC: 4.85% of 12-Quarter Average&lt;br&gt;• Measey Trust 5% of 13-month Average</td>
</tr>
<tr>
<td><strong>Compensation</strong></td>
<td>• Salaries and benefits pool – 4%&lt;br&gt;• Compensation Study Results (Phase 1)- $750K&lt;br&gt;• New Positions $768K</td>
</tr>
<tr>
<td><strong>Operating Initiatives</strong></td>
<td>• Identified budget reductions - $470K&lt;br&gt;• Recurring, one-time, and capital initiatives - $135K</td>
</tr>
<tr>
<td><strong>Facilities</strong></td>
<td>• $250k added to deferred maintenance</td>
</tr>
</tbody>
</table>
FY 2024-25 Budget
Revenues = Expenses
($127.94 million)
Budgeted Operating Revenue for FY 2024-25
Total: $127,940,000

- Endowment Draw, 24%
- Private Gifts and Grants, 5%
- Other, 3%
- Auxiliary (Non-student), 2%
- Net Student TFRB, 66%
Budgeted Operating Expenditures for FY 2024-25
Total: $127,940,000

- Salaries, 42%
- Benefits, 16%
- Other Operating, 30%
- Depreciation and Amortization, 8%
- Interest Expense, 5%
Budget Process Changes

- Creation of new budget reports for Cost Center Managers (CCMs)
  - Used by CCMs to review and reconcile departmental budgets

- Early Fall meetings between the Budget Office and individual CCMs to:
  - Review FY2024-25 budgets and the new reports
  - Review any budget variances from the FY2023-24 budget

- Re-allocate each Cost Center’s FY2024-25 budget to align with where budgets have historically been spent

- Budget checking based on a Cost Center’s total available budget turned on in WorkDay
FY 2025-26
FY 2025-26 Operating Budget Development Timeline

- **Summer**
  - Budget office prepares for meetings with Cost Center Managers (CCMs)

- **Early Fall**
  - Senior Staff establishes budget priorities and agrees on final preliminary budget assumptions; AAC reviews
  - Budget Office meets with CCMs to review the FY2024-25 budget and prepare for FY2025-26

- **Mid Fall**
  - **Departments submit capital and operating initiative requests to their Senior Staff person**
  - Senior Staff works with divisions to review existing budgets to identify budget reductions and new requests
  - Senior Staff/AAC review preliminary divisional budget planning
FY 2025-26 Operating Budget Development Timeline

- **Late Fall:**
  - All initiatives are shared, reviewed, and prioritized by Senior Staff

- **Early Spring:**
  - Senior Staff/AAC review and finalize TFR&B, financial aid, and enrollment target
  - Preliminary parameters and planning assumptions are presented to the BOM for approval

- **Mid Spring:**
  - Finalize budget parameters, including salary pool
  - Present to Board FY2025-26 balanced budget recommendation

- **Late Spring:**
  - Distribute salary pool data
  - Load FY2025-26 Approved Budget into WorkDay
Compensation Study Update

- Compensation Study Timeline Review
- Faculty Peer Group Comparisons
- Staff Peer Group Comparisons
- Job Architecture: Mapping of Staff Jobs
Next Steps

Future Communication Plans

• Mercer is developing a communication plan to aid in discussion with staff around job levels and the associated salary bands that Mercer will produce

• Core Team will provide monthly Community Comp Study Updates (~1 per month)
  • May - July
    • Open Community In Person/Zoom Sessions
    • SAEC
    • FAPC
    • AAC
Next Steps

- Complete faculty gap analysis and review of benchmarks
  - Due May 31st
- Mercer incorporates feedback to faculty matches and reviews staff gap analysis
  - May - June 12
- Mercer to present staff and faculty gap analysis
  - June 18
- Mercer & Core team review salary structures
  - July
- Mercer provides Senior Staff overview of benchmark and planning strategies
  - July
## FY-24 R and R Data by Division

<table>
<thead>
<tr>
<th>Division / Purpose / Building</th>
<th>Budget</th>
<th>Expended to Date</th>
<th>Expected Expenditure</th>
<th>Expected Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic</td>
<td>$675,000</td>
<td>$413,080</td>
<td>$558,065</td>
<td>$116,935</td>
</tr>
<tr>
<td>Administrative</td>
<td>$60,000</td>
<td>$45,869</td>
<td>$46,000</td>
<td>$14,000</td>
</tr>
<tr>
<td>Arboretum</td>
<td>$180,000</td>
<td>$179,839</td>
<td>$165,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Athletics</td>
<td>$102,000</td>
<td>$43,455</td>
<td>$102,000</td>
<td>$0</td>
</tr>
<tr>
<td>Campus Safety</td>
<td>$391,000</td>
<td>$150,852</td>
<td>$340,000</td>
<td>$51,000</td>
</tr>
<tr>
<td>Dining Center</td>
<td>$351,000</td>
<td>$225,335</td>
<td>$217,000</td>
<td>$134,000</td>
</tr>
<tr>
<td>Faculty Housing</td>
<td>$415,000</td>
<td>$327,009</td>
<td>$353,000</td>
<td>$62,000</td>
</tr>
<tr>
<td>Finishes</td>
<td>$100,000</td>
<td>$56,000</td>
<td>$100,000</td>
<td>$0</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$1,870,000</td>
<td>$1,437,952</td>
<td>$1,982,000</td>
<td>-$112,000</td>
</tr>
<tr>
<td>KINSC</td>
<td>$170,000</td>
<td>$34,968</td>
<td>$80,000</td>
<td>$90,000</td>
</tr>
<tr>
<td>Other</td>
<td>$50,000</td>
<td>$21,953</td>
<td>$45,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>Student (Life)</td>
<td>$785,000</td>
<td>$377,336</td>
<td>$535,000</td>
<td>$250,000</td>
</tr>
<tr>
<td>Student (Residential)</td>
<td>$875,000</td>
<td>$707,975</td>
<td>$909,000</td>
<td>-$34,000</td>
</tr>
<tr>
<td>Sustainability</td>
<td>$50,000</td>
<td>$24,435</td>
<td>$35,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Contingency &amp; Project Mgmt</td>
<td>$184,000</td>
<td>$0</td>
<td>$184,000</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$6,258,000</strong></td>
<td><strong>$4,046,058</strong></td>
<td><strong>$5,651,065</strong></td>
<td><strong>$606,935</strong></td>
</tr>
</tbody>
</table>

### Unplanned Projects

<table>
<thead>
<tr>
<th>Unplanned Projects</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure (CCP)</td>
<td>$713,000</td>
</tr>
<tr>
<td>Infrastructure (Small Pond Dredging)</td>
<td>$50,000</td>
</tr>
<tr>
<td>Lutnick Fine Arts Gallery Updates</td>
<td>$20,000</td>
</tr>
<tr>
<td>Yarnall Handicap Bridge</td>
<td>$10,000</td>
</tr>
<tr>
<td>Skate House Updates</td>
<td>$125,000</td>
</tr>
<tr>
<td>Slate Roof Maintenance</td>
<td>$80,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$918,000</strong></td>
</tr>
</tbody>
</table>
### FY 2025 Proposed R&R Projects

<table>
<thead>
<tr>
<th>Priority</th>
<th>Number of Proj.</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>52</td>
<td>$3,980,900</td>
</tr>
<tr>
<td>2</td>
<td>46</td>
<td>$2,210,100</td>
</tr>
<tr>
<td>3</td>
<td>5</td>
<td>$159,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Division /Purpose/ Building</th>
<th>Budget</th>
<th>Expended to Date</th>
<th>Expected Expenditure</th>
<th>Expected Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic</td>
<td>$332,500</td>
<td>$0</td>
<td>$332,500</td>
<td>$0</td>
</tr>
<tr>
<td>Arboretum</td>
<td>$55,000</td>
<td>$0</td>
<td>$55,000</td>
<td>$0</td>
</tr>
<tr>
<td>Athletics</td>
<td>$445,000</td>
<td>$0</td>
<td>$445,000</td>
<td>$0</td>
</tr>
<tr>
<td>Campus</td>
<td>$445,000</td>
<td>$0</td>
<td>$445,000</td>
<td>$0</td>
</tr>
<tr>
<td>Campus Safety</td>
<td>$150,000</td>
<td>$0</td>
<td>$150,000</td>
<td>$0</td>
</tr>
<tr>
<td>Faculty Housing</td>
<td>$687,000</td>
<td>$0</td>
<td>$687,000</td>
<td>$0</td>
</tr>
<tr>
<td>Faculty Offices</td>
<td>$20,000</td>
<td>$0</td>
<td>$20,000</td>
<td>$0</td>
</tr>
<tr>
<td>Finishes</td>
<td>$100,000</td>
<td>$0</td>
<td>$100,000</td>
<td>$0</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$1,195,000</td>
<td>$0</td>
<td>$1,195,000</td>
<td>$0</td>
</tr>
<tr>
<td>Infrastructure(ITS)</td>
<td>$40,000</td>
<td>$0</td>
<td>$40,000</td>
<td>$0</td>
</tr>
<tr>
<td>KINSC</td>
<td>$591,000</td>
<td>$0</td>
<td>$591,000</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>$220,500</td>
<td>$0</td>
<td>$220,500</td>
<td>$0</td>
</tr>
<tr>
<td>Student (Life)</td>
<td>$175,000</td>
<td>$0</td>
<td>$175,000</td>
<td>$0</td>
</tr>
<tr>
<td>Student (Residential)HCA</td>
<td>$675,000</td>
<td>$0</td>
<td>$675,000</td>
<td>$0</td>
</tr>
<tr>
<td>Student (Residential)Non HCA</td>
<td>$1,219,000</td>
<td>$0</td>
<td>$1,219,000</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$6,350,000</strong></td>
<td><strong>$0</strong></td>
<td><strong>$6,350,000</strong></td>
<td><strong>$0</strong></td>
</tr>
</tbody>
</table>
R&R Projects FY 2024 & 2025

- Woodside Meditation Room Accessibility
- Skate Shack improvements
- Pathway lighting improvements
- Scorer’s Building renovations
- Observatory Roof replacement
- Softball Field improvements
- Small Pond dredging
- Residence Halls refresh
Online Bookstore Update

- Online Bookstore RFP Committee
  - Great feedback from the community on bookstore needs
  - 15 individuals from across campus, including 2 students
  - Ecampus was selected as the online bookstore provider
    - Ease of interface and functionality
    - Price match guarantee
    - Free shipping anywhere over $59 and on all orders shipped to campus
    - Allows book rentals to be returned to the Campus Store
Spirit Store Update

- Google form open now for community input

- B&N will close the last week in June

- Haverford Campus Store will be closed for a few weeks to allow the space to be refreshed and stocked
Community Feedback

Suggestions for:
- Training Topics
- Other Suggestions?
Thank you Q&A